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UNITED STATES DEPARTMENT OF JUSTICE

WASHINGTON, D. C.

SEP 3 1 27 PM 1965

REGISTRATION No. 352

EXHIBIT C

REGISTRATION SECTION

TO REGISTRATION STATEMENTS

Under the Foreign Agents Registration Act of 1938, As Amended

Furnish this exhibit for each FOREIGN PRINCIPAL of the Registrant.

THIS EXHIBIT WILL NOT BE ACCEPTED FOR FILING UNLESS IT IS REASONABLY COMPLETE AND ACCURATE.

1. Name and address of Registrant.

Robert R. Nathan Associates, Inc.
1218 Sixteenth St., N.W.
Washington, D. C., 20036

2. (a) Name of Foreign Principal.

Royal Government of Afghanistan

(b) Principal address of Foreign Principal.

Kabul, Afghanistan

3. If the Foreign Principal is a foreign government, state the following:

*Branch or agency thereof represented
by Registrant*

Ministry of Planning

*Name and title of official with
whom Registrant deals*

Abdullah Yaftali
Minister of Planning

4. If the Foreign Principal is an individual (natural person), state -

(a) All present business and residence addresses not given under item 2(b).

(b) Citizenship or nationality:

(c) If an officer, employee, or agent of a foreign government, foreign political party, or any official or agency thereof, state -

*Name of such government,
political party, official, or
agency*

*Nature of Foreign Principal's
office, employment, or
agency*

*Nature of any subsidy
or other financial
arrangement*

5. If the Foreign Principal is not an individual (natural person) or a foreign government, state the following:

(a) Type of Foreign Principal's organization.

Committee _____ Voluntary group _____ Association _____

Partnership _____ Corporation _____ Foreign Political Party _____

Other (specify) _____

(b) Date and place of organization.

TERMINATED

DATE July 30, 1970

(c) All partners, officers, directors, and similar officials of the Foreign Principal.

Name and address of official

Position, office or nature of duties

(d) List, if any, all of the Foreign Principal's branches and local units and other component or affiliated groups or organizations in the United States and elsewhere.

*Name and address of branch, unit
group, or organization*

*Nature of connection with foreign
principal*

(e) Branch or group, if any, represented by Registrant.

6. If the Foreign Principal is not a foreign government but is supervised, directed, or controlled by a foreign government, foreign political party, or an official or agency thereof, or by any other person or persons, state -

*Name of such government, political
party, or other persons*

*Nature and extent of supervision,
direction or control*

7. If the Foreign Principal is not a foreign government but is financed or subsidized in any way by a foreign government, foreign political party, or an official or agency thereof, or by any other person or persons, state -

*Name of such government, political
party, or other persons*

*Nature and extent of such financing
or subsidization*

8. If the Foreign Principal is not a foreign government, state nature of all its businesses, occupations or functions:

SEP 3 1 2 PM

CERTIFIED A TRUE COPY THIS
9th DAY OF August 1965
BY E. R. Boyd

REGISTRATION SECTION

AID/nesa-186-CC

AGREEMENT

REGISTRATION No. 352

between

THE ROYAL GOVERNMENT OF AFGHANISTAN

and

ROBERT R. NATHAN ASSOCIATES, INC.

THIS AGREEMENT, entered into the 22nd day of July, 1965,
between the Royal Government of Afghanistan (hereinafter referred to as
"Government"), and Robert R. Nathan Associates, a corporation duly organized
and existing under the laws of the State of Delaware (hereinafter referred
to as "Contractor"), with its principal offices located at 1218 Sixteenth
Street, N. W. Washington, D. C. 20036,

WITNESSETH THAT:

WHEREAS, the Government requires advisory services in connection
with the development and implementation of its economic and social programs,
and

WHEREAS, the Contractor represents that he is qualified to perform
such services and is willing to undertake the same,

NOW, THEREFORE, the parties hereto mutually agree as follows;

ARTICLE I - STATEMENT OF WORK

A. Services to be Performed

1. The Contractor shall provide technical advice and assistance
to the Government through its Ministry of Planning in its efforts to improve
and institutionalize its policy and its conceptual, procedural, technical,

research and administrative capacity to develop, implement and constantly appraise multi-year plans for the economic growth and social development of Afghanistan.

2. The general objectives of this project are:

a. To provide technical advice and assistance to the Ministry of Planning of the Government in the formulation of economic and social development programs of Afghanistan.

b. To provide assistance to the planning staffs of related ministries as requested by the Government.

c. To advise and consult on the management, prosecution and implementation of the various segments and components of the development program.

3. More specifically, the Contractor in rendering advice and assistance to the Ministry of Planning shall:

a. Assist in the programming from year to year of the capital development activities of the Government, relate the projects and undertakings to the aggregate available resources, both domestic and foreign, and recommend adjustments as necessary and desirable in the over-all development goals and plans of the country with special emphasis on those projects carried out with the aid of the U. S. This will encompass the evaluation of available resources and the submission of recommendations designed to maximize not only the availability of all resources but also assuring their maximum and efficient utilization. Such plans and recommendations with respect to resources shall include, but not be limited to, training and management, increased output of basic commodities, and justification for external assistance. The Contractor shall also give consideration to appropriate balance

within the annual program relative to over-all goals and make recommendations with respect to appropriate priorities.

b. Advise and consult and submit recommendations to the Government with respect to basic economic policies essential for maximizing and accelerating the economic and social development of the country. These will concern such areas as fiscal (expenditures and revenues), monetary, credit, tariff, price, wage, land use, foreign trade and balance of payments, investment incentives, and related economic policies.

c. Advise and consult on the prosecution and implementation of the various segments and components of the development program. This will include advice on organization and procedures, on progress reporting, on techniques for breaking of bottlenecks and overcoming specific limiting factors.

d. Review from time to time on request of the Government, basic existing development plans and initiate fundamental research and analytical studies leading toward the adoption and publication of the Third Five Year Plan. This will include such aspects of planning as phasing of development projects, scheduling of commitments, scheduling of expenditures, scheduling of completions, projecting increases in production and income, projecting consumer income and expenditure patterns, projecting available internal and external resources, determining maximum feasible goals, and proposing priorities.

e. Provide such further related advice and consultation as the Contractor may be called upon by the Government to perform.

B. Personnel

1. Contractor shall promptly supply the services of an Economic Advisory Team (hereinafter also referred to as "employees") to Afghanistan to perform the services required under A. above. Each employee shall possess the necessary technical and executive experience to perform competently the tasks assigned. In addition, Contractor shall, when necessary to the effective prosecution of the work, and with the prior written approval of the Government and the US AID Director, send to Afghanistan highly qualified short term technicians for specialized assignments of work not to exceed three months in duration in Afghanistan for each technician, unless a longer period is approved in writing by the Government and the US AID Director.

2. Contractor shall provide for work in Afghanistan employees for the positions designated below for the approximate man-months of service as indicated.

a. Economic Advisory Team		Approximate
<u>Position</u>		<u>Man Months</u>
(1) Chief Economist - Chief of Party	responsible for operation and administration of team in Afghanistan and authorized field representative of Contractor	24
(2) Financial Economist - Qualified	in monetary, credit, and foreign exchange areas.	24
(3) Industrial Economist - Qualified	in field of manufacturing, economic planning and policy in mining and power areas.	24

(4) Agricultural Economist - Qualified 24

in economic problems concerned with
agricultural planning, programing,
and policy.

(5) Development Economist - Serve as 24

principal advisor under the direction of
the Chief Economist in assisting the
Ministry of Planning and other Ministries
and Agencies in developing the Third
Five Year Plan. This will entail
assisting in the formulation of the
planning framework and giving guidance
in developing the sectoral plans and
in developing policies and institutional
proposals.

(6) Administrative Assistant 24

b. Short Term Technicians 4

Specialists in such fields as tax policy,
exchange rates, central banking, agricultural
rates, pricing, man power, and tariff schedules,
as required.

c. Local Hire Personnel (Afghan subjects or U. S.
citizens)

(1) Secretary - 24

(2) Translators - to the extent approved 4

by the US AID Director

3. Contractor shall provide the services of its home office staff, including an economist assigned full time when required, to furnish necessary assistance and support to its overseas employees. In addition, Contractor shall provide for overall supervision and direction of the work required under A above. Total services chargeable under this provision shall not exceed 34 man-months.

C. Reports

1. Contractor shall submit ten copies of a semiannual report in English to the Government and US AID not later than 22 April and 22 October of each year covering operations and accomplishments during the preceding half-year period.

2. Upon completion of the work under this contract, Contractor shall submit to the Government and US AID ten copies of a final report in English covering operations, accomplishments and recommendations developed during the term of this contract.

ARTICLE II - CONSIDERATION AND TERM

A. Consideration

1. The consideration for the services to be performed by the Contractor will be those obligations to be undertaken by the Government as set forth in Article III of this Agreement and those obligations to be undertaken by the Government of the United States of America as set forth in the contract executed simultaneously with this agreement between the Government of the United States of America and the Contractor, which contract is more specifically identified as contract AID/nesa-186.

B. Term

1. The term of this agreement shall be concurrent with the term of contract AID/nesa-186 and termination of that contract shall terminate this agreement.

ARTICLE III - OBLIGATIONS OF THE GOVERNMENT

A. The Government will provide to the employees of the Contractor authorized under the provisions of Contract AID/nesa-186 the following support and assistance while they are in Afghanistan:

1. Office space.
2. Office equipment.
3. Telephone service.
4. Interpreter services.
5. Immunity and exemption from taxes, duties, customs, visas, etc., to the same extent as accorded the direct-hire personnel of the US AID/Afghanistan.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first hereinabove written which is the date of signing by the last signatory hereto and simultaneously with the execution of the aforesaid contract AID/nesa-186.

FOR THE ROYAL GOVERNMENT OF AFGHANISTAN

BY Mr. P. Majid

TITLE Ambassador

DATE 22 July 1965

FOR ROBERT B. NATHAN ASSOCIATES, INC.

BY Robert R. Nathan

TITLE President

DATE 7/22/65

APPENDIX A

(JULY 1962 EDITION)

COST PROVISIONS

(A.I.D. Direct and Financed Cost Reimbursement
Contract with a Firm for Overseas Services)

INDEX OF CLAUSES

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COST PROVISIONS
(A.I.D. direct and financed cost reimbursement
contract with a firm for overseas services)

I - Direct U. S. Dollar Costs

1. SALARIES

(a) Actual salaries or wages paid to all authorized and approved employees directly engaged in the performance of the contract work will be reimbursed subject to the conditions set forth herein. Such salaries or wages for overseas employees shall be at the rates or in the amounts approved in advance in writing by the Contracting Officer either generally in accordance with stated standards or specifically for each employee, unless the salary rates or the method of fixing salaries or wages is otherwise provided for in the contract.

(b) To the extent that the contract authorizes direct work in the Contractor's home or domestic branch office, the reimbursable salaries of the employees performing such work shall not exceed the salaries paid by Contractor for other similar work.

(c) In case the full time of one or more authorized employees of the Contractor is not applied to the work hereunder, the salaries or wages of such employees shall be reimbursable only in proportion to the actual time applied thereto as reflected in daily time records.

(d) Except as otherwise provided in Article III (a) of the contract, salaries or wages of authorized and approved employees sent to the Cooperating Country will be reimbursed from the date of actual commencement of travel for the purpose of proceeding to the Cooperating Country but not earlier than a date when travel would have been commenced in order to arrive in the Cooperating Country on the actual date of arrival by the most direct and expeditious means of public transportation from the normal place of residence of the employee prior to his nomination for contract employment. Salary of overseas employees shall continue to be reimbursed while they are engaged in assigned overseas work (including time spent in US AID sponsored orientation programs in the Cooperating Country, if specifically provided for in Article III of the Contract) and during authorized leave time. Salary during authorized return travel will be reimbursed to the date of actual arrival at the employee's normal place of residence or a new place of residence but not for a period longer than the time required for travel by the most direct and expeditious means of public transportation from the Cooperating Country to the normal place of residence of the employee prior to his nomination for contract employment. Salaries will also be reimbursed for delays en

route when traveling by the most direct and expeditious means of public transportation provided (1) such delays are not for the convenience of or due to the fault of the Contractor or the employee or (2) such delays are in connection with other special travel for purposes directly related to the performance of the contract as authorized in the contract or specially authorized in advance in writing by the Contracting Officer. Delay time en route which is attributable to illness or physical incapacitation of the employee or his dependents will be reimbursed to the extent of the employee's earned leave time (sick or vacation) under the contract.

(e) In the event an employee voluntarily resigns or is discharged by Contractor or is terminated at the request of A.I.D. or the Cooperating Government for stated reasons of misconduct (as determined by A.I.D.) and before he has completed his required tour of duty, the salary of such employee shall not be reimbursed for any day beyond his last actual work day in the Cooperating Country except that payment for unused vacation leave as provided in paragraph (h) below shall be made. If such termination is for other than stated reasons of misconduct, the employee's salary shall continue to be reimbursed until his prompt return after termination to the point and time as limited in (d) above.

(f) Overtime shall be reimbursed under this contract only to the extent specifically provided for in Article III of the contract.

(g) Salary increases shall be reimbursed under this contract only to the extent set forth in Article III of the contract.

(h) Except as provided in paragraph (i) below or in Article III (a) of the contract, vacation and sick leave time shall be earned by employees at the rate of thirteen (13) working days per year vacation leave and thirteen (13) working days per year sick leave. Such sick leave may be allowed for work days only when the employee is unable to work due to illness or accident. Vacation leave earned by overseas employees should be granted and taken during the period of the employees' tours of duty pursuant to a vacation schedule prepared by the Contractor and filed with the US AID within three months after the employees arrive in the Cooperating Country. Lump-sum payments for vacation leave earned but not taken may be made at the end of an employee's service under the contract but such lump-sum payments shall be limited to leave earned during six months.

~~_____~~

~~_____~~

(i) No leave shall be earned or reimbursable for any employee whose required tour of duty under the contract is less than six months unless specific provision therefor is made in Article III (a) of the contract.

(j) Except as otherwise provided in Article III (a) of the contract, Contractor's employees may be authorized by the Contractor paid holidays, to the extent that they fall on regular workdays, for New Year's day, Fourth of July, Thanksgiving and Christmas, and such other holidays as may be authorized by the US AID Director.

2. OVERSEAS SALARY DIFFERENTIAL

In foreign areas where overseas salary differentials are paid to A.I.D. employees at differential posts or in differential areas, differentials of the same percentage of salary as are provided such A.I.D. employees in accordance with the Standardized Regulations (Government Civilians, Foreign Areas), as from time to time amended, will except as otherwise provided in clause 3.(g) below, be reimbursable hereunder for Contractor's United States employees in respect to salaries or wages (excluding lump sum payments for vacation leave) earned during the time such employees actually spend overseas on work under this contract including periods of authorized paid vacation (other than vacation taken at the termination of the employee's service under the contract) or sick leave taken elsewhere than in the country of the employee's normal place of residence. Overseas salary differentials will be reimbursed only in connection with overseas assignments which exceed ninety days.

3. TRANSPORTATION

(a) The actual amounts paid by Contractor will be reimbursed for transportation of authorized and approved employees (and dependents of such employees who are required to serve tours of duty under this contract in the Cooperating Country amounting to eighteen months or more, and dependents of other employees who are required to serve tours of duty of at least one year, if specifically so provided in Article III (a) of the contract) from the place where travel to the Cooperating Country is actually commenced but not to exceed (a) the cost of first-class most direct and expeditious public transportation from the normal place of residence of the employee prior to his nomination for contract employment nor (b) the cost of the transportation actually used. Except as otherwise herein provided, the actual amounts paid by Contractor will be reimbursed for transportation of such employees and dependents from their overseas posts of assignment to the employee's normal place of residence or to a new place of residence but not to exceed (a) the cost of first-class most direct and expeditious public transportation to the normal place of residence of the employee prior to his nomination for contract employment nor (b) the cost of the transportation actually used. Reimbursement for travel to and from the Cooperating Country will not be made with respect to any dependent who (1) does not arrive in the Cooperating Country by a date which will permit him to remain overseas with the related employee for at least nine months or one-half the period of the related employee's initial tour of duty under the contract,

whichever is the greater, and (ii) does not in fact remain overseas with the related employee for such period unless his earlier return travel is reimbursable in accordance with the provisions of (b), (c) or (f) below. If any travel is performed by privately owned automobile, it will be reimbursed at the rate of twelve cents per mile not to exceed the mileage by the most direct route between the points so traveled, provided the employee is taking such automobile to or from the Cooperating Country pursuant to authorization in the contract, provided further that if any authorized dependents travel with the employee in such automobile, no additional charge will be reimbursed for their travel between such points. Contractor shall wherever possible minimize travel expenses by utilizing the benefits of round-trip transportation tickets.

(b) The costs of the employee's return transportation, including his unaccompanied baggage, household effects, other personal property and per diem allowances, shall not be reimbursable with respect to any employee who before he has completed his required tour of duty is discharged by Contractor or who voluntarily resigns, or who is terminated at the request of A.I.D. or the Cooperating Government for stated reasons of misconduct (as determined by A.I.D.) of the employee or any of his dependents subsequent to the employee's approval by A.I.D. for employment under the contract. In the event of any such termination or resignation of an employee, the Contractor shall be reimbursed for the return transportation of the employee's authorized dependents and their unaccompanied baggage and per diem allowances. The Contractor shall bear the costs of the out-bound transportation (including that of dependents, unaccompanied baggage, household effects, other personal property and per diem allowances) for the replacement of any employee whose return transportation is not reimbursable in accordance with the foregoing provisions unless such replacement is specifically waived in writing by the Contracting Officer.

(c) The costs of return transportation (including that of dependents, unaccompanied baggage, household effects, other personal property and per diem allowances) shall be reimbursed with respect to any employee who is terminated at the request of A.I.D. or the Cooperating Government for other than stated reasons of misconduct of the employee or any of his dependents subsequent to the employee's approval by A.I.D. for employment under the contract, subject to the same limitations which apply to employees who complete their assigned tours of duty.

(d) The actual amounts paid by Contractor will be reimbursed for other transportation for purposes directly related to the performance of work under this contract provided that such travel is provided for in Article III (a) of the contract or is specifically authorized in advance in writing by the Contracting Officer.

(e) The actual amounts paid by Contractor will be reimbursed for costs of

transportation of the remains of any overseas employee who dies while engaged overseas as a contract employee or while in authorized travel status to or from the Cooperating Country, or of any authorized dependent who dies while residing with the employee overseas or while in authorized travel status to or from the Cooperating Country, and for round-trip transportation and prescribed per diem allowances for an escort of one person to the place of burial if the spouse or a dependent of the decedent is not returning in connection with such death under an authorization granted in accordance with (f)(1) or (f)(2) below, provided that reimbursement for such costs in connection with the death of an employee when the death arose out of and in the course of his employment will be made only to the extent that such costs are not payable under a workmen's compensation insurance policy carried by Contractor.

(f) No reimbursable transportation for dependents is authorized other than one round-trip to and from the Cooperating Country with respect to any one tour of duty of the related employee. Notwithstanding the limitations herein contained with respect to time requirements on tours of duty and residence of dependents in the Cooperating Country, the US AID Director may in his discretion at any time authorize the return transportation from the Cooperating Country as final return reimbursable transportation subject to the same limitations on cost as provided in (a) above and clause 32 of the General Provisions, under the following circumstances and conditions:

(1) Incapacitation of an employee through illness or accident not due to his willful misconduct, and to a degree which in the judgment of a doctor of medicine approved by the US AID Director will prejudice his work under the contract; in which event reimbursable salary payments shall stop after the last day on which services are actually performed and all accrued leave is used up; and his dependents will be excused from the remainder of any required stay in the Cooperating Country. If the illness or injury arose out of and in the course of the employment, authorization for reimbursable travel for the employee may be made under this provision subject however to a later determination that part or all of such transportation costs are not payable under a workmen's compensation insurance policy carried by Contractor, and if it is determined that any such costs are so payable only the excess of such costs shall be reimbursable hereunder. In the event return transportation of an employee is authorized under this provision, such employee may later return to the Cooperating Country only under a new tour of duty and with the advance approval of the Contracting Officer.

(2) In the event medical care for a dependent is needed beyond that available within the Cooperating Country or continued residence in

the Cooperating Country would have a serious detrimental effect on the physical or mental health of a dependent and such is certified by a doctor of medicine approved by the US AID Director, the US AID Director may authorize the return transportation of any or all dependents provided that dependents who leave the Cooperating Country after such authorization may not return to the Cooperating Country with travel costs reimbursable hereunder, during the remainder of the employee's required tour of duty, and thereafter only if the related employee undertakes and is approved for a new tour of duty of not less than one year and travel by dependents is specifically authorized in advance by the Contracting Officer.

(g) In the event of an emergency evacuation from the Cooperating Country on orders of the chief U. S. diplomatic officer in the Cooperating Country or the US AID Director, Contractor's employees and dependents shall be entitled to overseas salary differentials, transportation and subsistence expenses the same as those accorded to A.I.D. employees and their dependents similarly evacuated. The allowable costs which are incurred pursuant to such orders will be reimbursed hereunder, or other provision for such reimbursement will be made by the Contracting Officer either before or subsequent to such evacuation.

(h) Reimbursement for the costs of transportation of unaccompanied baggage for each employee and authorized dependent between the points as limited in (a) above, shall be limited to 300 pounds gross (including packing and crating) for each person, not more than 100 pounds gross (including packing and crating) of which for each may be shipped by air freight when the employee or dependent travels by air, and the difference may be shipped by surface freight. When the employee and/or dependent travels by surface, the shipment of the 300 pounds gross is limited to shipment by surface transportation and any part of this weight allowance which is carried free by the surface carrier with the passage of the employee or dependent will not be reimbursable hereunder.

(i) Reimbursement for the costs of storage in a commercial warehouse or of surface transportation of household effects (including packaging, crating and forwarding) between the points as limited in (a) above for each employee required to serve a tour of duty in the Cooperating Country amounting to eighteen months or more, and for other employees who are required to serve tours of duty of at least one year, if specifically so provided in Article III (a) of the contract, and who is accompanied or joined by one or more authorized dependents shall be limited to 2,000 pounds exclusive of packing and crating and if such employee is not accompanied or joined by an authorized dependent this limit shall be 1,000 pounds exclusive of packing and crating provided that in no event shall the aggregate of the net weight of household effects shipped and stored exceed these limits as applicable to the respective employees. The weight

allowances set forth above are generally for application when partly furnished quarters are made available to the employees in the Cooperating Country and such allowances shall be applicable in any event unless greater or lesser weight allowances are specifically provided for in Article III (a) of the contract.

(j) All international ocean transportation of persons and things which is to be reimbursed in U. S. Dollars under this contract shall be by U. S. flag vessels to the extent they are available. Where U. S. flag vessels are not available, or their use would result in a significant delay, the Contractor may obtain a release from this requirement from the Resources Transportation Division, A.I.D., Washington 25, D. C. Any request for such relief shall fully set forth the basis for the request.

(k) All international air travel the cost of which is to be reimbursed in U. S. dollars under this contract shall be made on U. S. flag carriers. Exceptions to this rule will be allowed in the following situations provided that the Contractor certifies to the facts in the voucher or other documents retained as part of his Contract records to support his claim for reimbursement and for post audit by A.I.D.:

(1) Where a flight by a U. S. carrier is not scheduled to arrive in time for the conduct of official business.

(2) Where a flight by U. S. carrier is scheduled but does not have accommodations available when reservations are sought.

(3) Where the departure time, routing, or other features of a U. S. carrier flight would interfere with or prevent the satisfactory performance of official business.

(4) Where a scheduled flight by a U. S. carrier is delayed because of weather, mechanical or other conditions to such an extent that use of a non U. S. carrier is in the Government's interest.

(5) Where the appropriate class of accommodations is available on both U. S. and non-U.S. carriers, but the use of the U. S. carrier will result in higher total U. S. dollar cost to the contract due to additional per diem or other expenses.

(6) Where the appropriate class of accommodations is available only on a non U. S. carrier and the cost of transportation and related per diem is less than the cost of available accommodations of another class on a U. S. carrier and related per diem.

All international air shipments the cost of which are to be reimbursed in U. S. dollars under this contract shall be made on U. S. flag carriers unless shipment would, in the judgment of the Contractor, be delayed an unreasonable time awaiting a U. S. carrier either at point of origin or transshipment, provided that the Contractor certifies to the facts in the vouchers or other documents retained as part of his contract records to support his claim for reimbursement and for post audit by A.I.D.

4. SUBSISTENCE EXPENSES

(a) Per diem allowances in lieu of subsistence expenses paid by Contractor to employees and authorized dependents will be reimbursed for the time such persons are in authorized travel status as limited by the transportation provisions hereinabove and the time required to complete such travel by the most direct and expeditious public transportation and at the following rates: (1) for travel within the continental United States not continuous with travel to and from the Cooperating Country, \$16.00 per day, (2) for travel to and from the Cooperating Country and travel within the continental United States continuous with travel to and from the Cooperating Country by employees and dependents 11 years of age or over, \$8.00 per day and for dependents under 11 years of age, \$4.00 per day, (3) for other authorized travel, the rate or rates prescribed for A.I.D. employees performing the same travel.

(b) The per diem in lieu of subsistence expenses includes all charges for meals, lodging (not including accommodations on airplanes, trains or boats), personal use of room during daytime, baths, all fees and tips to waiters, porters, baggagemen, bellboys, hotel maids, dining room stewards and others on vessels, hotel servants in foreign countries, telegrams and telephone calls reserving hotel accommodations, laundry, cleaning and pressing of clothing, fans and fires in rooms, and transportation between places of lodging or business and places where meals are taken.

(c) In computing per diem in cases where the traveler crosses the international date line (one hundred and eightieth meridian), actual elapsed time shall be used rather than calendar days.

5. INSURANCE PREMIUMS

(a) To the extent that such premiums are not normally included in Contractor's overhead, the actual premiums paid and for no greater time of coverage than necessary, will be reimbursed for the following insurance: (1) workmen's compensation as required by the Defense Base Act (42 USC 1651) for overseas employees who are hired in the United States or who are American citizens or bona fide residents of the United States, (2) marine insurance procured in accordance with clause 13 of the General Provisions, and (3) such other insurance as is specifically provided for in Article

III (a) of the contract; provided that all such insurance coverage and premium rates shall be subject to written approval of A.I.D.

(b) If the annual premiums for Workmen's Compensation Insurance which are reimbursable as a direct cost under this contract are estimated to exceed \$50,000, or if such premiums when added to the estimated premiums for any public liability insurance which is authorized under this contract, exceeds \$50,000, Contractor shall require such insurance policy or policies to include a Retrospective Rating Plan Endorsement and arrange for the execution of a Premium Assignment Agreement by the insurance carrier, A.I.D. and Contractor.

6. EQUIPMENT, MATERIALS AND SUPPLIES

The actual costs of equipment, materials and supplies procured by Contractor as provided in Article I of the contract and in accordance with the General Provisions and necessary costs of transportation thereof will be reimbursed hereunder.

7. MISCELLANEOUS EXPENSES

To the extent not normally included by Contractor in overhead, reimbursement will be made for the following and similar miscellaneous expenses reasonably incurred by Contractor in the performance of work under this contract: long-distance telephone calls, telegrams and cables, postage and messenger service, passports, passport photographs and visa fees, predeparture medical examinations of employees and dependents as required under the contract and inoculations for employees and authorized dependents; provided that reimbursement for such miscellaneous expenses shall not exceed the maximum amount specified therefor in Article III(a) of the contract.

8. OTHER DIRECT COSTS

Reimbursement will be made for such other direct costs which are neither specified above nor in excess of those listed above and which are not expressly excluded by other provisions of this contract, provided that the Contracting Officer makes a written finding that such costs are or were reasonable and necessary in the performance of the contract. Whenever possible Contractor should seek the prior written approval of the Contracting Officer before incurring any such costs.

II - Indirect U. S. Dollar Costs

(a) Except as otherwise provided in Article III(a), indirect costs (overhead) allocable to the contract, shall be reimbursed periodically in amounts equal to the provisional percentages as set forth in Article III(a) of direct

U. S. dollar authorized base salaries (excluding overseas salary differentials) paid by Contractor to the categories of employees specified in Article III(a) of the contract. Any provisional rate set forth in Article III(a) of the contract is based upon an analysis and evaluation by A.I.D. of relevant data relating to Contractor's overhead costs and is subject to revision annually as of the close of the Contractor's fiscal year to an actual rate on the basis of such annual or other audits as A.I.D. (or other appropriate U. S. Government agency) may make. Promptly following establishment of any actual overhead rate by any such audit, an appropriate adjustment will be made in the billings for the period covered by the audit subject to the application of the appropriate maximum rate set forth in Article III(a) of the contract. Any rate so established by audit or the appropriate maximum rate whichever is lower shall be used as a provisional rate for the ensuing fiscal year. Payments for subsequent fiscal years shall be computed and adjusted in the same manner.

(b) Allowable overhead items will normally include those indirect expenses of the Contractor's home office which are properly allocable to the contract by methods in accord with those generally accepted accounting principles which are applicable under the circumstances. The objective sought in such allocations is to distribute fairly and equitably to the contract, on the basis of the benefit received or in proportion to the cause of the incurrence of the expense, a reasonable share of the cost of each allowable item of indirect expense. Direct costs which are not allowable as such shall not be allowable as indirect costs.

(c) Examples of items which are allowable may include reasonable salaries paid to partners, principals, officers and other direct employees; social security taxes, workmen's compensation insurance, payments under established pension, retirement, group health, accident and life insurance and incentive payment plans, and vacation, holiday and severance pay, sick leave and military leave pay all to the extent that such items are not included in the direct costs authorized by the contract; also legal and accounting expense, new business activities, clerical and stenographic work, general accounting, personnel, office and drafting room supplies, depreciation of buildings, office and drafting room furniture and equipment and/or amortization of leasehold improvements, local telephone service, rent of office space and equipment, utilities, non-allocable time of engineers, draftsmen and other technical employees.

III - Unallowable Direct and Indirect Costs

Irrespective of whether they are treated as direct or indirect costs, the following items are examples of costs which shall be unallowable:

(a) Advertising, except "help wanted" and institutional and trade advertising.

- (b) Bad debts (including expenses of collections) and provisions for reserve for bad debts.
- (c) Bonuses and similar payments under any other name, which are not consistent with a practice so well established as to constitute a condition of employment.
- (d) Compensation pursuant to any agreement or understanding for payment of a commission, percentage, brokerage, or contingent fee to any person or selling agency employed or retained to solicit or secure a government contract.
- (e) Contingency reserve provisions except provisions of self-insurance reserves which are specially provided for in Article III (a) of the contract.
- (f) Contributions and donations.
- (g) Dividend provisions or payments.
- (h) Entertainment expenses.
- (i) Federal taxes on income and excess profits.
- (j) General research, except as specifically provided for in the contract.
- (k) Interest on borrowings, however represented, bond discount and expenses, and financing charges.
- (l) Legal, accounting, and consulting services, and related expenses incurred in connection with organization or reorganization, prosecution of patent infringement litigation, prosecution or defense of anti-trust suits, or the prosecution of claims against the United States.
- (m) Losses from sale, exchange, or abandonment of capital assets, including investments.
- (n) Losses on other contracts.
- (o) Maintenance, depreciation and other costs incidental to the Contractor's excess facilities (including machinery and equipment) other than reasonable stand-by facilities.
- (p) Premiums for insurance on the lives of any persons where the Contractor is the beneficiary directly or indirectly.

- (q) Selling and distribution activities and related expenses not applicable to the contract products or services.
- (r) Taxes and expenses in connection with financing, refinancing, or refunding operations, including the listing of securities on exchanges.
- (s) Taxes of any nature including customs duties, import taxes and income and social security taxes paid to the cooperating country or any of its political subdivisions.
- (t) Depreciation in excess of that calculated by application of the straight-line method unless another method is specifically provided for in Article III (a) of the contract.

IV - Cost Principles

The cost principles which shall be applied in the determination and allowance of costs under this contract are those set forth in Subpart 1-15.2 of the Federal Procurement Regulations in effect as of the effective date of this contract and which are incorporated herein by this reference. To the extent of any conflict between said principles and the provisions of this contract including its Appendices, the provisions of the latter shall govern.

APPENDIX B

(JULY 1962 EDITION)

GENERAL PROVISIONS

(A.I.D. Direct Cost Reimbursement Contract
with a Firm for Overseas Services)

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APPENDIX B

GENERAL PROVISIONS

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GENERAL PROVISIONS

(A.I.D. direct cost reimbursement contract
with a firm for overseas services)

1. DEFINITIONS

As used throughout this contract the following terms shall have the meaning as set forth below:

- (a) The term "Contracting Officer" means the person executing this contract on behalf of the United States Government, and any other A.I.D. employee who is a properly designated Contracting Officer, provided, however, that in the case of contracts executed by an A.I.D. Washington Contracting Officer, the term shall mean an A.I.D. Washington Contracting Officer except as otherwise notified to Contractor in writing by an A.I.D. Washington Contracting Officer.
- (b) The term "Cooperating Country" means the country receiving assistance from the United States and in which services are to be rendered under this contract.
- (c) The term "US AID" means the United States A.I.D. Mission to, or principal A.I.D. office in, the Cooperating Country.
- (d) The term "US AID Director" means the Director of the US AID, the Deputy Director of the US AID or a person duly authorized to perform the functions of the Director or Deputy Director of the US AID.
- (e) The terms "authorized by A.I.D.", "A.I.D. approval", "approval of A.I.D." and similar terms mean approval by the Contracting Officer.
- (f) The term "dependents" means the wives and unmarried children of Contractor's employees who are under 21 years of age at the time of their departure for the Cooperating Country concurrent with or subsequent to the departure of the employee under the contract.
- (g) The term "tour of duty" means the minimum specified time which a contract employee is required to remain in the Cooperating Country for performance of services under the contract and it includes authorized vacation and sick leave taken during such time.
- (h) Except as provided in clause 20 below, the term "subcontracts" includes purchase orders under this contract.

(1) The term "head of the agency" or "Secretary" means the Administrator of the Agency for International Development; and the term "his duly authorized representative" means any person or persons or board (other than the Contracting Officer) authorized to act for him.

2. CONSIDERATION

Payment will be made for allowable costs and the fixed fee, if any, set forth in this contract, and such payment shall constitute complete compensation for the Contractor's services under this contract.

3. MODIFICATION OR AMENDMENT

No modifications or amendments shall be made to this contract except as provided in the "Changes" clause (see clause 4 below) and/or as may be mutually agreed upon in writing by the Contractor and the Contracting Officer.

4. CHANGES

(a) The Contracting Officer may at any time, by a written order, and without notice to the sureties, if any, make changes, within the general scope of this contract, in any one or more of the following: (i) statement of work or services, (ii) drawings, designs, or specifications, (iii) method of shipment or packing, (iv) place of inspection, delivery, or acceptance, and (v) the amount of logistic support and property of the U. S. or Cooperating Government to be furnished or made available to the Contractor for performance of this contract. If any such change causes an increase or decrease in the estimated cost of, or the time required for performance of this contract, or otherwise affects any other provision of this contract, whether changed or not changed by any such order, an equitable adjustment shall be made (i) in the estimated cost or delivery schedule, or both, (ii) in the amount of any fee to be paid to the Contractor, and (iii) in such other provisions of the contract as may be so affected, and the contract shall be modified in writing accordingly. Any claim by the Contractor for adjustment under this clause must be asserted within sixty (60) days from the date of receipt by the Contractor of the notification of change: Provided, however, that the Contracting Officer, if he decides that there are special facts justifying such action, may receive and act upon any such claim asserted at any time prior to final payment under this contract. Failure to agree to any adjustment shall be a dispute concerning a question of fact within the meaning of the clause of this contract entitled "Disputes". Likewise, nothing in this clause shall excuse the Contractor from proceeding with the contract as changed.

(b) If this contract is executed by an A.I.D. Washington Contracting Officer, valid change orders may be issued only by an A.I.D. Washington Contracting Officer, or such other person as he may in writing designate for such purpose.

5. COST INFORMATION

The Contractor shall maintain current cost information adequate to reflect the cost of performing the work under this contract at all times and shall prepare and furnish to A.I.D. such written estimates of cost and information in support thereof as the Contracting Officer may request. The Contractor shall notify the Contracting Officer in writing whenever it becomes apparent that the total cost of the contract (exclusive of fee) will exceed the estimate of the cost of the work then currently in effect.

6. CORRECTNESS OF ESTIMATES NOT GUARANTEED

A.I.D. does not guarantee the correctness of any estimate of cost (or of any stated estimate of time for performance) of the work under this contract.

7. GOVERNMENT'S RIGHT TO TERMINATE NOT AFFECTED

The giving of any notice by either party under Article II of this contract shall not be construed to waive or impair any right of A.I.D. to terminate the contract under the termination clauses of the contract.

8. DISCOUNTS AND REVENUES

The Contractor shall take and afford A.I.D. the advantage of all available cash and trade discounts, rebates, allowances, credits, salvage, commissions and bonifications. Any revenue accruing to the Contractor in connection with the work under this contract shall be applied in reduction of allowable costs under this contract.

9. CONTRACTOR - US AID RELATIONSHIPS

Contractor acknowledges that this contract is an important part of the U. S. Foreign Assistance Program and agrees that Contractor's operations and those of its employees in the Cooperating Country will be carried out in such a manner as to be fully commensurate with the responsibilities which this entails. The US AID Director is the chief representative of A.I.D. in the Cooperating Country. In this capacity he has responsibility for the total A.I.D. program

in the Cooperating Country including certain responsibilities for the administration of this contract and for advising A.I.D. regarding the performance of the work under the contract and its effect on the U. S. Foreign Assistance Program. Although Contractor will be responsible for all professional and technical details of the work called for by this contract, he shall be under the general policy guidance of the US AID Director and shall keep the US AID Director or his designated representative currently informed of the progress of the work under this contract.

10. CONTRACTOR EMPLOYEES

(a) In all work and at all times covered by this contract, Contractor shall maintain its status as an independent Contractor and shall exercise complete control over its employees. Contractor and its employees shall conform to all applicable laws, regulations and ordinances promulgated by legally constituted authorities of the Cooperating Country and shall promptly correct any violations thereof called to their attention.

(b) Contractor shall be responsible for the professional and technical competence of its employees and will use its best efforts to select and employ for work in the Cooperating Country only those persons who in its judgment will be reliable and most likely to perform satisfactorily the terms of their employment agreements with Contractor, and who will comply with local laws, respect the local customs and conform to a high standard of moral and ethical conduct. Contractor shall furnish to A.I.D. on forms provided by A.I.D., biographical information, including citizenship, experience, references and character information concerning all proposed employees prior to their assignment to work in the Cooperating Country, and with respect to all such information Contractor shall take such measures as are reasonable to assure the accuracy and correctness thereof. No person shall be employed, or if otherwise employed by the Contractor, shall be assigned, for overseas work under this contract, nor shall any such person depart for the Cooperating Country or begin work in the Cooperating Country prior to A.I.D.'s approval, notice of which shall first be given in writing to Contractor. Contractor further agrees, on written request of A.I.D., to terminate the employment under this contract of any of its employees in the Cooperating Country if A.I.D. determines that such termination is required.

(c) If this contract authorizes the employment of any Cooperating Country nationals or local labor, Contractor shall consult with the US AID Director or such other official as he may designate with respect

to the existing local labor laws, regulations and labor standards and with a view to adopting and demonstrating good employment practices.

(d) Other than for work to be performed under this contract for which an employee is assigned by Contractor, no employee of Contractor shall engage, directly or indirectly, either in his own name or in the name or through the agency of another person or entity, in any business, profession or occupation in the Cooperating Country; nor shall he make loans or investment to or in any business, profession or occupation in the Cooperating Country.

(e) If any person who is employed for services overseas under this contract is also a dependent of any other overseas employee under this contract, such person shall continue to hold the status of a dependent and be entitled and subject to the contract provisions which apply to dependents except as an employee he or she shall be entitled to an approved salary for the time services are actually performed in the Cooperating Country and workmen's compensation as provided in clause 11 but such person shall not be entitled to overseas salary differential or any other allowances which are granted to non-Cooperating Country employees. If Contractor locally employs any other person who is resident in but not a national of the Cooperating Country, such person may be allowed only an approved salary and workmen's compensation as provided in clause 11. The term "approved salary" as used above shall mean salary including vacation and sick leave in accordance with contract salary rate provisions in the case of U. S. dollar salaries, and as fixed in advance in writing by the US AID Director in the case of local currency salaries. The salaries of any person so employed by Contractor shall be paid in local currency unless payment thereof in U. S. dollars is specifically authorized in Article III (a) of the contract or is approved in advance in writing by the Contracting Officer.

11. WORKMEN'S COMPENSATION INSURANCE

(a) The Contractor shall provide and thereafter maintain workmen's compensation insurance as required by United States Public Law 208, 77th Congress, as amended (42 USC 1651 et seq.), with respect to and prior to the departure for overseas employment under this contract of all employees who are hired in the United States or who are American citizens or bona fide residents of the United States.

(b) The Contractor shall further provide for all employees who are nationals or permanent residents of the country in which services are being rendered, if the contract authorizes their employment,

security for compensation benefits pursuant to the applicable law of such country for injury or death in the course of such employment, or in the absence of such law, employer's liability insurance. For all other authorized employees not hired in the United States or who are not American citizens or bona fide residents of the United States, Contractor shall provide the necessary employer's liability insurance.

(c) The Contractor agrees to insert the provisions of this clause 11, including this paragraph c, in all subcontracts or subordinate contracts hereunder, except subcontracts or subordinate contracts exclusively for furnishing materials or supplies.

12. TITLE TO AND CARE OF PROPERTY

(a) Except as modified by the provisions of Article V of this contract, title to all equipment, materials and supplies, the cost of which is reimbursable to Contractor by A.I.D. or by the Cooperating Government, shall, at all times, be in the name of the Cooperating Government, or such public or private agency as the Cooperating Government may designate but all such property shall be under the custody and control of Contractor until completion of work under this contract or its termination at which time custody and control shall be turned over to the owner of title or disposed of in accordance with its instructions. All performance guaranties and warranties obtained from suppliers shall be taken in the name of the title owner.

(b) Contractor shall prepare and establish a program to be approved by US AID for the receipt, use, maintenance, protection, custody and care of equipment, materials and supplies for which it has custodial responsibility, including the establishment of reasonable controls to enforce such program.

13. PROCUREMENT OF EQUIPMENT, MATERIALS AND SUPPLIES

(a) If the contract authorizes or requires Contractor to procure equipment, materials or supplies, the cost of which is to be reimbursed hereunder, such procurement shall be of new equipment, materials or supplies unless procurement of used equipment, materials or supplies is approved in advance in writing by the Contracting Officer. Such procurement if the cost thereof is to be reimbursed in U. S. Dollars under this contract, shall be effected from an approved source and origin country. Source country means the country or area from which

a commodity is shipped to the Cooperating Country. Where, however, a commodity is shipped from a free port or bonded warehouse in the form in which received therein, "source country" shall mean the country or area from which the commodity was shipped to the free port or bonded warehouse. Origin country means the country or area in which a commodity is mined, grown or produced. The cooperating country shall be considered an approved source and origin country only for the purchase of commodities (1) which are indigenously mined or grown; (2) those which are locally produced; (3) administrative, maintenance and operating items of a consumable nature which are normally purchased in the local market; and (4) emergency items which are needed promptly, are immediately available in the Cooperating Country and the need for which could not previously have been reasonably anticipated. For purposes of this provision a commodity is deemed to be produced when through manufacturing, processing or substantial and major assembling of components, a commercially recognized new commodity results that is substantially different in basic characteristics or in purpose or utility from its components. Approved source and origin country is further defined as any country or area in the world except: USSR; Albania; Bulgaria; Czechoslovakia; Germany, Soviet-Occupied; Hungary; Poland; Rumania; China (Mainland); Cuba; Australia; Austria; Belgium; Canada; Denmark; France; Germany (Federal Republic); Hong Kong; Italy; Japan; Luxembourg; Monaco; Netherlands; New Zealand; Norway; Union of South Africa; Sweden; Switzerland; and United Kingdom.

(b) All such procurement shall be effected with a view to obtaining the best economic advantage to the project being implemented by this contract. Except for small purchases as defined in Subpart 1-3.6 of the Federal Procurement Regulations and which are procured in accordance with the intent thereof and except when Contractor's own established method of procurement or another special method of procurement is specifically approved in advance in writing by the Contracting Officer, all procurement shall be effected on the basis of formal sealed bids which are invited from the public generally or from a number of qualified bidders sufficient to assure adequate competition. See also clause 14 below.

(c) All invitations for bids shall contain the following statement in bold face type, "This procurement is for a project financed by the Agency for International Development of the United States Government. Suppliers of individual items of commodities, equipment and supplies costing in excess of \$5,000.00 must execute and furnish Supplier's Certificates (AID Form 280)." In the course of all informal requests for quotations or bids under an approved

method of procurement, Contractor shall inform the prospective suppliers of the substance of the foregoing.

(d) In all invitations for bids, specifications shall be stated in terms of United States standards and preference shall be given to descriptions of the required equipment, materials or supplies in terms of widely recognized and used industry specifications and standards or technical and performance specifications, and "brand name or equal" descriptions shall not be used except when a technical or performance description is not available and cannot be developed in time for use or the expense of such development is not justified by the value of the purchase. Whenever Contractor concludes that the specifications for a required item of equipment, material or supply must be written in such a way that only one supplier can meet the specifications, justification therefor must be submitted for A.I.D. approval prior to effecting the procurement.

(e) Contractor shall select the bid or bids of responsible bidders which meet the specifications, are responsive to the terms and conditions of the invitation and offer the most advantages to the contract project considering those factors which an ordinarily prudent person would consider in the conduct of his own affairs, including but not limited to, bid prices, cost of transportation to the job site, inspection expenses, compatibility of equipment for spare parts and maintenance purposes and time of delivery. Invitations for bids shall contain a clause reserving the right to reject any or all bids and to waive informalities and minor irregularities in bids received. Typical cases justifying rejection and readvertising are those where it is determined, prior to award, that the requirement has changed, or that the specifications should be revised, or that all bids received are excessive. The reserved right to reject bids and readvertise should not be exercised in the absence of a real showing of advantage through such action.

(f) Contractor may obtain ocean marine insurance on equipment, materials and supplies procured under this contract only after obtaining the prior written approval of the Contracting Officer.

14. SMALL BUSINESS PROVISION

To permit A.I.D., in accordance with Section 602 of the Foreign Assistance Act of 1961, to give U. S. suppliers and particularly small independent enterprise an opportunity to participate in supplying equipment, materials and supplies covered by this contract, Contractor shall, to the maximum extent possible, provide the following information to the

Office of Small Business, Agency for International Development, Washington 25, D. C., at least 30 days prior to placing any order in excess of Five Thousand (\$5,000) Dollars, except where a shorter time is requested of, and granted by the Office of Small Business:

- (a) The Contract number as shown in the upper right hand corner of the face sheet of this Contract;
- (b) Brief general description and quantity of equipment, materials and supplies;
- (c) Closing date for receiving quotations or bids;
- (d) Address where invitations or specifications may be obtained.

15. MARKING

(a) All commodities and their shipping containers, furnished to Cooperating Countries under A.I.D. financing (whether from the U. S. or other source country), must carry the official A.I.D. emblem designed for the purpose. This identification shall be affixed by metal plate, decalcomania, stencil, label, tag, or other means, depending upon the type of commodity or shipping container and the nature of the surface to be marked. The emblems placed on the commodities must be approximately as durable as the trade mark or company or brand name affixed by the producer; the emblems on the shipping containers must be legible until they reach the consignee.

(b) The size of the emblem may vary depending upon the size of the commodity, package or shipping container to be marked, but must be large enough to be clearly visible at a reasonable distance. In addition, the shipping container will indicate clearly the last set of digits of the A.I.D. PA, PIO or other authorization number in characters at least equal in height to the shipper's marks. The emblem will appear in the colors shown on the samples available in the Office of Small Business, Agency for International Development, Washington 25, D. C., or in the offices of the US AIDs in the respective Cooperating Countries.

(c) Raw materials (including grain, coal, petroleum, oil and lubricants) shipped in bulk, vegetable fibers packaged in bales, and semi-finished products which are not packaged in any way are, to the extent compliance is impracticable, excepted from the marking requirements

of this section. However, the emblem will be prominently displayed on all ships during loading and unloading when their cargoes consist entirely of A.I.D.-financed goods. Instructions relating to display of the emblem by ships will be furnished by the charterers to the carriers with their charter parties.

(d) If compliance with the provisions of this section is found to be impracticable with respect to other commodities, the Contractor or supplier will promptly request the Office of Small Business, Agency for International Development, Washington 25, D. C., for an exception from the requirements of this section.

16. ACCOUNTS, RECORDS AND INSPECTION

The Contractor shall maintain accounts showing and supporting all allowable costs incurred, revenues earned, fixed fee accruals, and the receipt, use, and disposition of all property coming into the possession of the Contractor under this contract. The system of accounts employed by the Contractor shall be satisfactory to A.I.D. and in accordance with generally accepted accounting principles. All books of account and records relating to this contract shall be subject to inspection and audit by A.I.D. or any of its duly authorized representatives at all reasonable times, and the Contractor shall afford A.I.D. proper facilities for such inspection and audit. Contractor agrees to permit authorized representatives of A.I.D., at all reasonable times, to inspect the facilities, activities and work pertinent to the contract, either in the United States or abroad, and to interview personnel engaged in the performance of the contract to the extent deemed necessary by A.I.D. The Contractor further agrees to require the inclusion of provisions similar to those above in all subcontracts hereunder.

17. EXAMINATION OF RECORDS

(a) The Contractor agrees that the Comptroller General of the United States or any of his duly authorized representatives shall, until the expiration of three years after final payment under this contract, have access to and the right to examine any directly pertinent books, documents, papers, and records of the Contractor involving transactions related to this contract.

(b) The Contractor further agrees to include in all his subcontracts hereunder a provision to the effect that the subcontractor agrees that the Comptroller General of the United States or any of his duly authorized representatives shall, until the expiration of three years

after final payment under the subcontract, have access to and the right to examine any directly pertinent books, documents, papers, and records of such subcontractor, involving transactions related to the subcontract. The term "subcontract" as used in this clause excludes (i) purchase orders not exceeding \$2,500 and (ii) subcontracts or purchase orders for public utility services at rates established for uniform applicability to the general public.

18. REPORTS AND INFORMATION

All information gathered under this contract by Contractor and all reports and recommendations hereunder shall be treated as confidential by the Contractor and shall not, without A.I.D.'s written approval, be made available to any person, party or government other than A.I.D., except as otherwise expressly provided in the contract. Contractor shall prepare and submit such interim and final reports as provided in Article I of the contract.

19. DISPUTES

(a) Except as otherwise provided in this contract, any dispute concerning a question of fact arising under this contract which is not disposed of by agreement shall be decided by the Contracting Officer, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Contractor. The decision of the Contracting Officer shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Contractor mails or otherwise furnishes to the Contracting Officer a written appeal addressed to the Secretary. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence. In connection with any appeal proceeding under this clause, the Contractor shall be afforded an opportunity to be heard and to offer evidence in support of its appeal. Pending final decision of a dispute hereunder, the Contractor shall proceed diligently with the performance of the contract and in accordance with the Contracting Officer's decision.

(b) This "Disputes" clause does not preclude consideration of law questions in connection with decisions provided for in paragraph (a) above: Provided, That nothing in this contract shall be construed as making final the decision of any administrative official, representative, or board on a question of law.

20. SUBCONTRACTS

Except as provided for in the contract or as authorized in advance in writing by A.I.D., Contractor shall not subcontract any part of the work under this contract. In no event shall any such subcontract be on a cost-plus-a-percentage-of-cost basis. This clause shall not be construed to require further authorization for the procurement of equipment, materials and supplies otherwise authorized under the contract and procured in accordance with Clause 13.

21. ASSIGNMENT OF CLAIMS

(a) Pursuant to the provisions of the Assignment of Claims Act of 1940, as amended (31 U.S. Code 203, 41 U.S. Code 15), if this contract provides for payments aggregating \$1,000 or more, claims for monies due or to become due the Contractor from the Government under this contract may be assigned to a bank, trust company, or other financing institution within the United States, including any Federal lending agency, and may thereafter be further assigned and reassigned to any such institution. Any such assignment or reassignment shall cover all dollar amounts payable under this contract by A.I.D. Washington and not already paid, and shall not be made to more than one party, except that any such assignment or reassignment may be made to one party as agent or trustee for two or more parties participating in such financing.

(b) In no event shall copies of this contract or of any plans, specifications, or other similar documents relating to work under this contract, if marked "Top Secret," "Secret," "Confidential," or "Official Use Only," be furnished to any assignee of any claim arising under this contract or to any other person not entitled to receive the same: Provided, That a copy of any part or all of this contract so marked may be furnished, or any information contained therein may be disclosed, to such assignee upon the prior written authorization of the Contracting Officer.

22. LANGUAGE, WEIGHTS AND MEASURES

The English language shall be used in all written communications between the parties under this contract with respect to services to be rendered and with respect to all documents prepared by the Contractor except as otherwise provided in the contract or as authorized by the Contracting Officer. Wherever weights and measures are required or authorized, all quantities and measures shall be made, computed and recorded in such system(s) of weights and measures as

provided in the contract or as directed by the Contracting Officer.

23. NOTICES

Any notice given by any of the parties hereunder, shall be sufficient only if in writing and delivered in person or sent by telegraph, or cable, or registered mail as follows: .

To A.I.D.: Administrator
Agency for International Development
Washington 25, D. C.
Attention: Contracting Officer (naming the
Contracting Officer who executed
this contract)

To Contractor: At Contractor's address shown in the opening paragraph of this contract

or to such other address as either of such parties shall designate by notice given as herein required. Notices hereunder shall be effective when delivered.

24. NONDISCRIMINATION IN EMPLOYMENT

In connection with the performance of work under this contract, the Contractor agrees as follows:

(a) The Contractor will not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this Nondiscrimination clause.

(b) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, or national origin.

(c) The Contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency Contracting Officer, advising the said labor union or workers' representative of the Contractor's commitments under this Nondiscrimination clause, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(d) The Contractor will comply with all provisions of Executive Order No. 10925 of March 6, 1961, and of the rules, regulations, and relevant orders of the President's Committee on Equal Employment Opportunity created thereby.

(e) The Contractor will furnish all information and reports required by Executive Order No. 10925 of March 6, 1961, and by the rules, regulations, and orders of the said Committee, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Committee for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(f) In the event of the Contractor's noncompliance with the Nondiscrimination clause of this contract or with any of the said rules, regulations, or orders, this contract may be cancelled in whole or in part and the Contractor may be declared ineligible for further government contracts in accordance with procedures authorized in Executive Order No. 10925 of March 6, 1961, and such other sanctions may be imposed and remedies invoked as provided in the said Executive Order or by rule, regulation, or order of the President's Committee on Equal Employment Opportunity, or as otherwise provided by law.

(g) The Contractor will include the provisions of the foregoing paragraphs (a) through (f) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the President's Committee on Equal Employment Opportunity issued pursuant to section 303 of Executive Order No. 10925 of March 6, 1961, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, That in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the Contractor may request the United States to enter into such litigation

to protect the interests of the United States.

25. COVENANT AGAINST CONTINGENT FEES

The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, A.I.D. shall have the right to annul this contract without liability or in its discretion to deduct from the contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

26. OFFICIALS NOT TO BENEFIT

No member of the United States Congress, or United States Resident Commissioner, shall be admitted to any share or part of this contract, or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

27. INSURANCE ON PRIVATE AUTOMOBILES

If Contractor or any of its employees or their dependents transport or cause to be transported (whether or not at contract expense) privately owned automobiles to the Cooperating Country, or they or any of them purchase an automobile within the Cooperating Country, Contractor agrees to make certain that all such automobiles during such ownership within the Cooperating Country will be covered by a paid-up insurance policy issued by a reliable company providing the following minimum coverages, payable in U. S. dollars or its equivalent in the currency of the Cooperating Country: injury to persons, \$10,000/\$20,000; property damage, \$5,000. Contractor further agrees to deliver or cause to be delivered to the US AID Director or such other official as designated by the US AID Director, the insurance policies required by this clause or satisfactory proof of the existence thereof, before such automobiles are operated within the Cooperating Country. The premium costs for such insurance shall not be a reimbursable cost under this contract.

28. GRATUITIES

(a) A.I.D. may, by written notice to the Contractor, terminate the

right of the Contractor to proceed under this contract if it is found, after notice and hearing by the Administrator of A.I.D. or his duly authorized representative, that gratuities (in the form of gifts, entertainment, or otherwise) were offered or given by the Contractor, or any agent or representative of the Contractor to any officer or employee of the U. S. Government with a view toward securing a contract or securing favorable treatment with respect to the awarding or amending, or the making of any determinations with respect to the performing of such contract; provided, that the existence of the facts upon which the Administrator of A.I.D. or his duly authorized representative makes such findings shall be in issue and may be reviewed in any competent court.

(b) In the event this contract is terminated as provided in paragraph (a) hereof, A.I.D. shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of a breach of the contract by the Contractor. The rights and remedies of A.I.D. provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

29. TERMINATION

(a) Notice of Termination for Default or Convenience. The Contracting Officer may at any time terminate performance of the work under this contract in whole or in part for the default of the Contractor, or in whole or from time to time in part for the convenience of A.I.D., by written notice to the Contractor stating the ground for termination. Such termination shall be effective in the manner and upon the date specified in said notice and shall be without prejudice to any claims which A.I.D. may have against the Contractor. Upon receipt of such notice, the Contractor shall, unless the notice directs otherwise, immediately discontinue all work and the placing of all orders for materials, facilities and supplies in connection with the terminated portion of this contract and shall proceed to cancel promptly all existing orders and terminate all subcontracts insofar as such orders or subcontracts relate to the terminated portion of this contract.

(b) Default. The performance of the work may be terminated for default if the Contractor refuses or fails to prosecute the work, or any separable part thereof, with such diligence as will insure its completion within the fixed time for completion if a fixed time is stated or within a reasonable time if no fixed time for completion is stated in the contract; Provided, that the performance of the work shall not be terminated for default because of any delays in the

completion of work due to force majeure as defined in Clause 30, if the Contractor shall promptly and in any event within thirty (30) days from the beginning of any such delay notify the Contracting Officer in writing of the causes of delay, who shall ascertain the facts and the extent of the delay and extend the time for completing the work if a fixed time for completion is stated in the contract or otherwise excuse the delay when in his judgment the findings of fact justify such an extension or excusing, and his findings of fact thereon shall be final and conclusive on the parties hereto, subject only to appeal in accordance with the clause entitled "Disputes."

(c) Liability for Default. Nothing contained in this clause 29 shall be construed to limit or affect any remedies which A.I.D. may have as a result of a default by the Contractor.

(d) Terms of Settlement. Upon the termination of performance of work in accordance with this clause, full and complete settlement of all claims of the Contractor with respect to the terminated work shall be made as follows, although prior to final settlement, the Contracting Officer may in his discretion authorize partial payment of allowable costs:

- (1) Assumption of Contractor's Obligations. A.I.D. may in its discretion, assume and become liable for all obligations, commitments and claims that the Contractor may have theretofore in good faith undertaken or incurred in connection with the terminated work, the cost of which would be allowable in accordance with the provisions of this contract; and the Contractor shall, as a condition of receiving the payments mentioned in this clause, execute and deliver all such papers and take all such steps as the Contracting Officer may require for the purpose of fully vesting in A.I.D. all the rights and benefits of the Contractor under such obligations or commitments.
- (2) Payment for Allowable Costs. A.I.D. shall reimburse the Contractor or allow credit for all allowable costs incurred in the performance of the terminated work and not previously reimbursed or otherwise discharged.
- (3) Payment for Termination Expense. If performance of work under the contract is terminated for the convenience of A.I.D., A.I.D. shall reimburse the Contractor for such further

reasonable and necessary expenditures made after the date of termination as are justified to and approved in advance in writing by the Contracting Officer.

- (4) Adjustment and Payments on Account of Fixed Fee. If performance of work under the contract is terminated, the fixed fee provided for in the contract except as indicated next below, shall be adjusted by crediting Contractor with that portion of the fixed fee which the work actually completed, as determined by the Contracting Officer, bears to the entire work under this contract and charging the Contractor with payments previously made on account of the fee. If the fee provided for in the contract is specifically therein computed and subject to any adjustment on the basis of the number of man months of services rendered, then the method of adjustment so specified shall be used in determining the amount of fee to be credited to the Contractor and the payments previously made on this account shall be charged against the Contractor.
- (5) Computation of Amount Due. In arriving at the amount due the Contractor after termination, there shall be charged against Contractor (i) all unliquidated advance or other unliquidated payments on account therefor made to the Contractor, (ii) any claim which A.I.D. may have against the Contractor in connection with this contract, and (iii) deductions due under the terms of this contract, and not otherwise recovered by or credited to A.I.D.
- (6) Disposition of Advances. If performance of the work under the contract is terminated for the default of the Contractor, the Contractor shall forthwith remit to A.I.D. the unliquidated balance of any advance under the contract. If performance of work under the contract is terminated for the convenience of A.I.D., the unliquidated balance of any advance shall be deducted from any payment otherwise due the Contractor, and if the sum due the Contractor is insufficient to cover such balance, the excess thereof shall be remitted by the Contractor to A.I.D. after demand and final audit of all accounts hereunder.
- (7) Property Accounting and Release. The Contractor shall furnish an accounting for all contract property which it had custody of, and a release in a form prescribed by the Contracting Officer.

(e) No Fee for Work After Default. In the event this contract requires completion of the work within a fixed time or by a fixed date and Contractor is in default (not excusable by force majeure) for failure to meet the required completion time, the Contractor shall remain bound to perform and complete such work as expeditiously as possible. No additional fee shall be paid for work performed after such required completion date and A.I.D. reserves the right to terminate performance of the work for such default at any time.

30. FORCE MAJEURE

(a) Definition. Force Majeure means unforeseeable causes beyond the control and without the fault or negligence of the Contractor, including, but not restricted to, acts of God, or of the public enemy, acts of the U. S. or Cooperating Government in either their sovereign or contractual capacity, acts of another Contractor in the performance of a contract with the said Governments, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather or delays of subcontractors due to such causes.

(b) Costs During Force Majeure. During the occurrence of any force majeure which prevents Contractor or Contractor's employees from performance of work in whole or in part, Contractor shall continue to be reimbursed for its costs including salaries and other contract allowances paid to or for Contractor's overseas employees for stand-by time occasioned by the force majeure, to the extent otherwise reimbursable under this contract, provided however, that Contractor shall minimize such costs to the greatest extent possible.

(c) Fee Adjustment for Force Majeure Time. In the event a force majeure occurs which wholly prevents Contractor from performance of the contract work in the Cooperating Country continuously over a period in excess of fifteen (15) consecutive days and the required notice of the occurrence of force majeure as provided in clause 29 (b) has been given by Contractor, the Contracting Officer shall negotiate in good faith for an equitable adjustment of the fee, provided that the Contractor shall within ninety (90) days after the discontinuance of the force majeure, file a written claim with the Contracting Officer or give notice to the Contracting Officer of its intention to claim an adjustment of the fee and the basis therefor. If Contractor fails to file such claim or give the required notice within the time specified, it shall be deemed to have waived its

right to any fee adjustment with respect to such force majeure. Failure to agree on an equitable adjustment under this clause shall be deemed to be a dispute within the meaning of the clause entitled "Disputes". Notwithstanding the foregoing, if the fee provided for in the contract is specifically therein computed and subject to any adjustment on the basis of the number of man months of services rendered, the method of adjustment so specified shall be controlling; it being understood that the term "man months of services" includes time when the employees are unable to work due to the occurrence of force majeure, are kept in a stand-by status, do not return to the country of their origin or normal place of residence and are not otherwise employed.

(d) Fee Installment Payments During Force Majeure. If the contract provides for payment of the fixed fee in periodic fixed installments, the first installment payable after the occurrence of a force majeure exceeding fifteen (15) days shall be paid in accordance with such schedule but, unless otherwise authorized by the Contracting Officer, no further installment shall be paid or payable during the continuance of such force majeure. Upon the discontinuance of the force majeure and the resumption of performance in the Cooperating Country by the Contractor, the fee payment schedule shall, unless the parties otherwise agree in writing, be automatically extended for a period equal to the period of non-performance, and the remaining installments of the fixed fee shall be paid in accordance with the schedule so extended.

(e) Tours of Duty Extended by Force Majeure. In the event a force majeure occurs which prevents any of the Contractor's employees from performing their assigned or required duties in the Cooperating Country continuously over a period of and for more than fifteen (15) consecutive days, their required tours of duty shall for all purposes under the contract be automatically extended for a period equal to all such continuous force majeure time but not to exceed ninety (90) days, except in the event of termination effected by the Contracting Officer or when their services or particular job classifications are not needed during such extended period. Contractor's employment agreements with its employees shall include a provision for this automatic extension of tours of duty.

31. DOCUMENTATION FOR PAYMENTS

Claims for payment of U. S. dollar costs and fee must be submitted to the Office of the Controller, Agency for International Development,

Washington 25, D. C., unless otherwise specifically provided in Article V of the contract, and accompanied by the documents specified in this clause as appropriate and/or such other supporting documents and justifications as the Contracting Officer shall prescribe. Contractor's final voucher to be clearly labelled "Final Voucher", must be submitted within 120 days after completion of performance of the contract, unless such period is extended by the Contracting Officer. Each such document must be identified by the appropriate A.I.D. contract number.

(a) Voucher, SF-1034, executed in original and three (3) copies.

(b) Contractor's detailed invoice, in original and one (1) copy indicating fully for each amount claimed the paragraph of the contract and/or appendix under which reimbursement is to be made, supported when applicable by:

- (1) For salaries, consultant fees and related allowance: copy of Contractor's payroll showing at least the employee's and consultant's names, rates of pay and amounts paid and period covered.
- (2) For employee's and dependents' transportation costs and travel allowances: a statement of the itinerary with attached originals or copies of carrier's receipts. Travel allowances must be stated separately.
- (3) For costs of commodities, equipment and supplies, insurance, and other costs: receipted supplier's invoices, appropriately detailed as to quantity, description and price (after deducting all applicable discounts and purchasing agents' commission) provided that in respect to individual transactions involving less than \$100 each, the Contractor may furnish, in lieu of such receipted invoices, a detailed itemization of the supplier's invoices with payment indicated by the Contractor's check numbers. A copy (or photostat) of the rail or ocean bill of lading, airway bill or parcel post receipt evidencing delivery of supplies and equipment to the appropriate destination must be submitted with suppliers' invoices. The method of, or absence of, advertising in connection with all procurement must be stated on voucher SF 1034, or SF 1036, as appropriate.
- (4) For cost of ocean or air freight transportation of supplies

and equipment: receipted invoice of the supplier of transportation appropriately detailed as to the vessel, flag and cost of freight and related transportation charges and a copy (or photostat) of the ocean or charter party bill of lading or airway bill if applicable. If the bill of lading furnishes all of the information indicated, no invoice is required.

(c) For all individual items of commodities, equipment and supplies procured at a cost in excess of \$5,000, Contractor shall secure and furnish with its invoice a Supplier's Certificate (AID Form 280), in triplicate, executed by the vendor or supplier, with invoice and abstract of procurement or supply contract on the reverse side for each individual transaction.

(d) Contractor's invoice must have attached thereto or endorsed thereon, one copy of a Work Progress Certificate signed by the Contractor in the following form:

"The undersigned certifies that the costs reimbursable to the Contractor and the amount of fee payable to the Contractor in accordance with the terms of the contract, up to the date of this certificate, are not less than the total payments received or claimed by the Contractor under the contract (including the payment claimed under the invoice), and that the Contractor has fully complied with the terms and conditions of the contract."

32. PHYSICAL FITNESS OF EMPLOYEES AND DEPENDENTS

(a) Contractor shall exercise reasonable precautions in assigning employees for work under this contract in the Cooperating Country to assure that such employees are physically fit for work and residence in the Cooperating Country. In carrying out this responsibility Contractor shall require all such employees other than those hired in the Cooperating Country to be examined by a licensed doctor of medicine independently selected and designated by the Contractor. These examinations shall be conducted on the basis of tests and criteria set forth in medical forms supplied by the Contracting Officer and such additional tests as may be approved in advance in writing by the Contracting Officer. Contractor shall require its selected doctors to make a finding on the medical form provided as to the physical fitness of the examinee for the proposed specific employment and residence in the Cooperating Country or to make firm recommendations regarding such employment. Contractor

shall retain in its files all such medical reports. If Contractor employs and assigns to a position overseas under this contract any person whose medical report contains a negative finding or a recommendation against such employment and the employee is unable to complete his required tour of duty because of a physical disability (not arising from an accident) regardless of whether such disability is or can be connected with a condition or disability which existed prior to his employment, Contractor shall not be reimbursed for the return transportation costs of such employee and his dependents and their effects, and Contractor shall bear all transportation costs to the Cooperating Country of any necessary replacement.

(b) Contractor agrees that whenever dependents of employees are authorized under this contract to accompany to, or join the employees in, the Cooperating Country, he shall require all such dependents to undergo a pre-departure medical examination by Contractor selected doctors similar to that required for prospective employees and Contractor shall obtain a positive written finding by such doctors that the dependent's health is such that he or she may reasonably be expected to remain in the Cooperating Country for the duration of the related employee's required tour of duty. If the said medical examination is not given, or if given and such positive medical finding is not made with respect to a particular dependent, and such dependent is unable to remain in the Cooperating Country with the related employee for at least nine months or one-half the period of the related employee's initial tour of duty, whichever is the greater, because of a physical disability (not arising from an accident) regardless of whether such disability is or can be connected with a condition or disability which existed at the time of the pre-departure medical examination, Contractor shall not be reimbursed for the travel costs to and from the Cooperating Country for such dependent.

(c) In the event a dependent fails, or is unable, to remain in the Cooperating Country for medical reasons or any other reason, the related employee shall not be relieved of his obligation to fulfill his required tour of duty.